

Mr. Speaker, the wounds from which Nate Medeiros is recovering remind us all that while war is sometimes necessary in national self defense, it is always terrible in the toll it takes of our best and bravest. I am honored to be able to participate in this community effort to show Nate Medeiros how deeply we feel the debt to him, and Mr. Speaker, as an example that the nation should note, I ask that the article from the New Bedford Standard Times from October 11 about this event be printed here.

EVENT SCHEDULED TO HONOR NEW BEDFORD
SOLDIER WOUNDED IN AFGHANISTAN
(By Brian Fraga)

NEW BEDFORD.—An event will be held later this month to honor Army Pfc. Nathan Medeiros, a New Bedford native recovering from shrapnel and burn wounds he sustained from a roadside bomb in Afghanistan last month.

"Honoring Our Own: Nate Medeiros" is scheduled for Oct. 23, from 3–7 p.m., at the Seaport Inn in Fairhaven. Due to military regulations, the event is not a benefit, and there will be no admission charge.

"After all, this will be the true epitome and best way to honor Nate for his heroic efforts," said Carl Pires, a friend of Medeiros's family who is coordinating the event, and will serve as its emcee.

The night will also feature performances by local musicians and artists such as poet Charles Perry and singers Tiny Tavares, Candida Rose, Glenn "G-Money" Enos, Navelle "Chops" Turner and Irving Washington III, former lead singer of the R&B group Portrait.

New Bedford Mayor Scott W. Lang, State Sen. Mark C.W. Montigny, D-New Bedford, and U.S. Rep. Barney Frank are also scheduled to be on hand to speak and present resolutions to Medeiros and his family, Pires said.

On Sept. 14, Medeiros, 28, an infantry machine-gunner assigned to the 1st Stryker Brigade Combat Team of the 25th Infantry Division, was on patrol in Afghanistan, clearing roadside bombs from an area known as "IED Alley."

Medeiros said he had just noticed two Afghan men crouching at a distance, and was pointing out their location to his fellow soldiers when a roadside bomb detonated less than 2 feet from where he was standing.

"I turned back around and just as I do this, I'm blown into the air and back onto my side," said Medeiros, who has undergone several surgeries to remove shrapnel and debris from his legs.

Medeiros, a graduate of New Bedford High School's night program, also sustained lacerations to his face and neck, swelling in his hands and partial hearing loss.

He arrived home in New Bedford last week on leave, and will be present for the event.

"It's great to have him home," said Medeiros' mother, Cherele Fortes, who said her son surprised them in coming home.

"He looks good. He's got some scars, some bruising, but he is in great spirits. He is an amazing kid. God still has plans for him. That's why he's still with us," Fortes said.

HONORING THE NAACP—MORRIS
COUNTY BRANCH

HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 12, 2011

Mr. FRELINGHUYSEN. Mr. Speaker, I rise today to honor the Morris County Branch of

the National Association for the Advancement of Colored People, NAACP, as it celebrates its 80th Anniversary.

Founded in 1909, the NAACP is the nation's oldest and largest grassroots-based civil rights organization. With over a half-million members and supporters both throughout the country and around the world, the NAACP strives to ensure the political, educational, social and economic equality of rights of all persons to eliminate race-based discrimination.

To support the national organization's mission, different branches of the NAACP have been established throughout the United States. The NAACP, Morris County Branch, was established in 1931. Headquartered in Morristown, New Jersey, the Morris County Branch has provided great support to the mission and vision of the national organization.

Throughout its 80 years, the Morris County branch has sought to pursue the elimination of racial prejudice and discrimination through numerous events and fundraisers, most notably their Annual Freedom Banquet. This annual fundraiser, also celebrating its 80th anniversary, brings together people from all races, all economic backgrounds to join together for one common purpose: to ensure equality for our fellow citizens.

The NAACP, Morris County Branch, is a wonderful organization, one of which I am proud to say calls the New Jersey 11th Congressional District home.

Mr. Speaker, I ask you and my colleagues to join me in congratulating the members and staff of the Morris County Branch of the NAACP as they celebrate 80 years of promoting equality for our nation.

INTRODUCTION OF LEGISLATION ENDING A CURRENT LAW LOOP- HOLE THAT ALLOWS FOREIGN INSURANCE GROUPS TO STRIP THEIR U.S. INCOME INTO TAX HAVENS TO AVOID U.S. TAX

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 12, 2011

Mr. NEAL. Mr. Speaker, today I am pleased to come before the House to introduce legislation ending a current law loophole that allows foreign insurance groups to strip their U.S. income into tax havens to avoid U.S. tax and gain a competitive advantage over American companies. I am pleased to be joined in my efforts by Senator MENENDEZ who is introducing the Senate companion bill.

Many foreign-based insurance companies are using affiliate reinsurance to shift their U.S. reserves overseas into tax havens, thereby avoiding U.S. tax on their all investment income. This provides these companies with a significant unfair competitive advantage over U.S.-based companies, which must pay tax on their investment income. To take advantage of this loophole, several U.S. companies have "inverted" into tax havens and numerous other companies have been formed offshore. And, absent effective legislation, industry experts have predicted that capital migration will continue to grow and other insurers will be forced to redomesticate offshore. As we grapple with significant budget challenges in the years to come, it is essential that we not allow the con-

tinued migration of capital overseas and erosion of our tax base.

The bill I am introducing today does not impact third party reinsurance, which adds needed capacity to the market. It is a fundamental business technique for risk management and is to be fostered. Rather, the bill is targeted solely at reinsurance among affiliates, which adds no additional capacity to the market and is often used for tax avoidance.

There have been previous attempts to address the tax avoidance problem resulting from reinsurance between related entities. Congress first recognized the problem of excessive reinsurance in 1984 and provided specific authority to Treasury under Section 845 of the Tax Code to reallocate items and make adjustments in reinsurance transactions in order to prevent tax avoidance or evasion. In 2003, the Bush Treasury Department testified before Congress that the existing mechanisms were not sufficient. In 2004, Congress amended Section 845 to expand the authority of Treasury to not only reallocate among the parties to a reinsurance agreement but also to recharacterize items within or related to the agreement. Congress specifically cited the concern that these reinsurance transactions were being used inappropriately among U.S. and foreign related parties for tax evasion. Unfortunately, as recent data shows, this grant of expanded authority to Treasury has not stemmed the tide of capital moving offshore.

Since 1996, the amount of reinsurance sent to offshore affiliates has grown dramatically, from a total of \$4 billion ceded in 1996 to \$33 billion in 2008, including nearly \$21 billion to Bermuda affiliates and over \$7 billion to Swiss affiliates. Use of this affiliate reinsurance provides foreign insurance groups with a significant market advantage over U.S. companies in writing direct insurance here in the U.S. We have seen in the last decade a doubling in the growth of market share of direct premiums written by groups domiciled outside the U.S., from 5.1 percent to 10.9 percent, representing \$54 billion in direct premiums written in 2006. Again, Bermuda-based companies represent the bulk of this growth, rising from 0.1 percent to 4 percent. And it should be noted that during this time, the percentage of premiums ceded to affiliates of non-U.S. based companies has grown from 13 percent to 67 percent. Bermuda is not the only jurisdiction favorable for reinsurance. In fact, one company moved from the Cayman Islands to Switzerland citing "the security of a network of tax treaties," among other benefits.

A coalition of U.S.-based insurance and reinsurance companies has been formed to express their concerns to Congress. They wrote to the leadership of the House and Senate tax-writing committees urging passage of my prior bill because, as they wrote, "This loophole provides foreign-controlled insurers a significant tax advantage over their domestic competitors in attracting capital to write U.S. business." With more than 150,000 employees and a trillion dollars in assets here in the U.S., I believe it is a message of concern that we should heed.

That is why I am again filing legislation to end the Bermuda reinsurance loophole. This proposal has been developed working with the tax experts at both the Treasury Department and the staff of the Joint Committee on Taxation to address concerns that have been raised with prior versions of the bill and develop a balanced approach to address this

loophole. The proposal is consistent with our trade agreements and our tax treaties.

Specifically, the proposal I am filing today effectively defers any deduction for premiums paid to foreign affiliated insurance companies if the premium is not subject to U.S. tax. This is accomplished by denying an upfront deduction for any affiliate reinsurance and then excluding from income any reinsurance recovered (as well as any ceding commission received), where the premium deduction for that reinsurance has been disallowed.

The bill allows foreign groups to avoid the deduction disallowance by electing to be subject to U.S. tax with respect to the premiums and net investment income from affiliate reinsurance of U.S. risk. Special rules are provided to allow for foreign tax credits to avoid double taxation. This ensures a level-playing field, treating U.S. insurers and foreign-based insurers alike.

The legislation provides Treasury with the authority to carry out or prevent the avoidance of the provisions of this bill.

A fuller technical explanation of the bill can be found on my website.

This "deduction deferral" proposal is similar to one contained in the administration's budget this year. In an effort to combat earnings stripping, this bill uses a common-sense approach, which will effectively defer the deduction for premiums paid until the insured event occurs—thereby restricting any tax benefit from shifting reserves and associated investment income overseas.

Ending this unintended tax subsidy for foreign insurance companies will stop the capital flight at the expense of American taxpayers and restore competitive balance for domestic companies. Closing this loophole does not impose a new tax. It merely ensures that foreign-owned companies pay the same tax as American companies on their earnings from doing business here in the United States. Congress never would consciously subsidize foreign-owned companies over their American competitors. Thus, there is no reason an unintended subsidy should be allowed to continue.

Mr. Speaker, I appreciate the opportunity to address the House on this important matter and I assure my colleagues that I will continue my efforts to combat offshore tax avoidance, regardless of what industry is impacted.

MR. JOHN BARANSKI

HON. LOU BARLETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 12, 2011

Mr. BARLETTA. Mr. Speaker, I rise to honor John Baranski for his performance as an athlete, coach, and mentor, and on his acceptance into the Plains Sports Hall of Fame in Northeastern Pennsylvania.

John Baranski, who was better known as Jack, is a graduate of Coughlin High School. At Coughlin, he played tackle on both offense and defense for the Crusaders, and was part of their 1985 and 1986 Wyoming Valley Conference Championship teams. In 1987, Mr. Baranski was selected by the Wilkes-Barre Times Leader newspaper as a first-team All-Conference tackle. Because of his stellar performance in the Wyoming Valley West High School game, he was awarded the Out-

standing Senior Athlete Award from the Coughlin Booster Club and the Red Pendergrass Award. Also as a senior, Mr. Baranski played in the UNICO All-Star Game.

Mr. Baranski's playing career may be over, but his knowledge and skills are present in the student-athletes he has coached over the years. He coached at Coughlin from 1992 through 1999, and now he is the offensive coordinator for the Spartans of Wyoming Valley West. During his career as a coach, his teams have combined for seven District 2 AAAA championships and five Wyoming Valley Conference championships. He has also served as president of the Ed/Stark Little League in 2009, and of the West Side Little League in 2010 and 2011.

Mr. Speaker, John "Jack" Baranski, a product of Plains youth football and basketball, has certainly proven himself worthy of being called a "Hall of Famer" through his years of outstanding performance as a player and coach.

HONORING PAMELA ANN
COCHRANE OF LAKEPORT, CALI-
FORNIA

HON. MIKE THOMPSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 12, 2011

Mr. THOMPSON of California. Mr. Speaker, I rise today in recognition of Mrs. Pamela Ann Cochrane, a resident and servant of the County of Lake for over three decades and among the most cherished and appreciated members of her community.

Mrs. Cochrane has been a public servant for 40 years, beginning her career of service in Lake County as an accountant in the Auditor-Controller's Office in 1980. Since that time her responsibilities and contributions have only increased. She became a supervising accountant in 1988, was promoted to Chief Deputy Auditor-Controller in 1994, served as Interim County Clerk/Auditor-Controller in 1998, and was successfully elected by the citizens of Lake County to the post of County Clerk/Auditor-Controller in 1998, 2002, 2006, and 2010.

Always a leader who valued versatility and adaptability among her staffers, Mrs. Cochrane made good on her campaign promise to "cross train all employees of the Auditor-Controller's Office," and is regarded by many of her colleagues and peers as an outstanding boss and coworker, and a great friend. She has always been quick to champion the accomplishments of her staff and department, which has won awards for excellence in financial reporting from the Government Finance Officer's Association and the State Controller's Office.

Mrs. Cochrane is also a model citizen and an enduring participant in a number of community organizations and groups. She is treasurer and a long-time member of the Lake County Hospice Board of Directors, a very active member of the Lakeport Rotary Club, a proud mother of three and grandmother of four.

Therefore, Mr. Speaker and colleagues, I believe it is appropriate at this time that we commend and applaud the tremendous contributions that my friend, Mrs. Cochrane, has made to the County of Lake and her fellow members of that community. We wish to ex-

tend to her our deepest gratitude and best wishes for many years of happy retirement with her husband, James.

EXTENDING THE GENERALIZED SYSTEM OF PREFERENCES

SPEECH OF

HON. GENE GREEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 11, 2011

Mr. GENE GREEN of Texas. Madam Speaker, I rise in support of H.R. 2832, legislation that will extend the Trade Adjustment Assistance program and the 2009 TAA reforms for workers, firms, and farmers through December 31, 2013.

Since its creation nearly half a century ago, TAA has helped millions of Americans whose jobs were lost to outsourcing, off-shoring, and increased foreign competition.

For many, TAA is a critical lifeline that provides retraining and education, health insurance assistance, and other crucial support initiatives to workers affected by international trade.

TAA also helps small businesses and farmers become more competitive through the TAA for firms and TAA for farmers program.

This legislation will also extend important reforms made to TAA in 2009, but were allowed to expire in February of this year. These improvements include guaranteeing access to training for American service and manufacturing workers, as well as allow workers to qualify for TAA benefits if their firms shifted production to any country, including China and India, not just countries with which the United States has entered into a free trade agreement.

More than 185,000 additional trade-impacted workers have become eligible for training opportunities and benefits under the 2009 reforms.

In my state alone, over 20,000 workers have benefited from TAA's services and support since May 2009. Nationwide, nearly half a million Americans have benefited from TAA over the past two years.

TAA has historically received bipartisan support in this chamber. I hope my colleagues on both sides of the aisle will join me and support this legislation.

Unfortunately, programs like TAA would not be necessary if this Congress and this Administration would push for trade deals that would focus on job creation here at home.

The history of free trade agreements shows that the promised benefits of FTAs, be with Mexico and NAFTA, or with China and Most-Favored-Trade Status, have not materialized.

In fact, it has been the opposite.

Soon after the enactment of NAFTA in 1994, six factories in my district in Houston were shut down. The thousands of Houstonians who were laid-off were able to get assistance through TAA, but would have much rather have kept their jobs than seen their livelihoods moved to Mexico.

Before NAFTA came into effect, the United States had an annual trade surplus of over \$1 billion with Mexico. Last year, our nation's trade deficit with our southern neighbor reached \$66 billion.

The story is similar with China. In 1999, the year before permanent MFT status was granted on China, our trade deficit was \$68 billion.